

Honolulu, Hawaii

April 4, 2014

RE: S.B. No. 2470
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2470, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR,"

begs leave to report as follows:

The purpose of this measure is to amend the functions, operations, organization, and oversight of the Hawaii Health Connector by:

- (1) Officially designating the Hawaii Health Connector as the State of Hawaii Health Insurance Exchange and authorizing the Connector to perform all duties required of an exchange by federal law;
- (2) Establishing a Consumer, Patient, Business, and Health Care Advisory Group; Health Insurers Advisory Group; and Insurance Producers Advisory Group to provide input and recommendations to the Hawaii Health Connector Board;
- (3) Establishing the Hawaii Health Connector Oversight Council within the Department of Commerce and Consumer Affairs to oversee the activities of the Hawaii Health Connector;
- (4) Authorizing certified insurance agents and brokers to enroll individuals and employers in qualified plans



through the Hawaii Health Connector and assist them in applying for applicable premium tax credits and cost-sharing reductions;

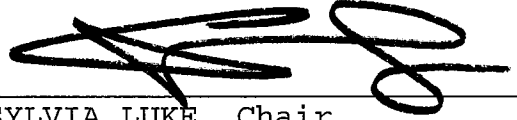
- (5) Requiring the Hawaii Health Connector Board to submit an annual financial sustainability plan to the Hawaii Health Connector Oversight Council and the Insurance Commissioner each fiscal year until end of Fiscal Year 2017-2018;
- (6) Establishing, through the end of Fiscal Year 2017-2018, the Hawaii Health Insurance Exchange Special Fund to receive legislative appropriations and requiring that the fund be audited annually by an independent auditor;
- (7) Specifying that the debts and liabilities of the Hawaii Health Connector shall not constitute the debts and liabilities of the State;
- (8) Replacing insurer assessments or user fees with website advertising revenues as an authorized revenue stream for the Hawaii Health Connector;
- (9) Amending the membership and composition of the Hawaii Health Connector Board and amending the appointment process and required qualifications for board members; and
- (10) Appropriating general funds for necessary expenses of the Consumer, Patient, Business, and Health Care Advisory Group; Health Insurers Advisory Group; Insurance Producers Advisory Group; Hawaii Health Connector Oversight Council; and the operations of the Hawaii Health Connector.

The Office of the Governor, Department of the Attorney General, Hawai'i Health Connector and its Board of Directors, Hawaii Primary Care Association, American Council of Life Insurers, Hawaii Medical Service Association, and AARP commented on this measure. The Chamber of Commerce of Hawaii and two individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2470, S.D. 1, H.D. 1, and recommends that it pass Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Finance,

A handwritten signature in black ink, appearing to be "Sylvia Luke", written over a horizontal line.

SYLVIA LUKE, Chair



HSCR 1648-14

Bill/Resolution No.: SB 2470, SD1, HD1		Committee Referral: HLT/CPC, FIN		Date: 4/1/2014	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)		/			
2. NISHIMOTO, Scott Y. (VC)		/			
3. JOHANSON, Aaron Ling (VC)		/			
4. CULLEN, Ty J.K.					/
5. HASHEM, Mark J.		/			
6. ING, Kaniela		/	/		
7. JORDAN, Jo			/		
8. KOBAYASHI, Bertrand			/		
9. LOWEN, Nicole E.		/			
10. MORIKAWA, Dee		/			
11. ONISHI, Richard H.K.		/			
12. TAKAYAMA, Gregg		/			
13. TOKIOKA, James Kunane		/			/
14. WOODSON, Justin H.					/
15. YAMASHITA, Kyle T.		/	/		
16. FUKUMOTO, Beth			/		/
17. WARD, Gene					/
TOTAL (17)		11	3		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					